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Labour Market Information Monthly

November 2010 Edition

Issue 11 Volume 7

Trends in dropout rates and the labour market outcomes of young dropouts (1990/1991 to 2009/2010) *

In 1990/1991, nearly 340,000 or 16.6% of young people aged 20 to 24 had not completed a high school diploma and were not attending school. This high school dropout rate declined significantly through the 1990s and 2000s. By 2009/2010, that number had fallen to 191,000 (8.5%).

Dropout rates in 2009/2010 were lower for young women (6.6%) than for young men (10.3%). While rates have declined for both sexes, the rate of decrease was faster for men, resulting in a narrowing of the gap over time.

Rates were lower for young immigrant adults than for their Canadian-born counterparts and higher for Aboriginal youth in this age group compared with non-Aboriginal youth.

During the recent economic downturn in 2008/2009, nearly one out of every four dropouts in the labour market was unable to find a job. Even among those who did find work, their earnings were less than for those with a high school diploma.

This Month

- Trends in Dropout Rates and the Labour Market Outcomes of Young Dropouts
- Key Labour Force Statistics
- The Industry Report

Dropout rates falling, but more slowly in recent years

Dropout rates have been falling since 1990/1991 when nearly 340,000 or 16.6% of young people had not completed a high school diploma and were not currently enrolled in school.

The largest declines occurred during the 1990s; by 2000/2001, the rate had dropped to 11.1%. Decreases during the 2000s were more gradual.

By 2009/2010, 8.5% of young people aged 20 to 24 had not completed their high school diploma and were not attending school.

Rates fell in all provinces. The biggest changes occurred in most of the Atlantic provinces, where rates fell from the 15% to 20% range in the early 1990s to 9% to 11% a decade later. Since then, the rates for these provinces have fallen even further.

Newfoundland and Labrador had the most significant change in dropout rates over the past 20 years. Its three-year average rate between 1990 and 1993 was 19.9%, highest in Canada. Between 2007 and 2010, the three-year average had declined to 7.4%, one of the lowest. The average was lowest in British Columbia at 6.2% between 2007 and 2010.

Dropout rates for individual groups

In 2009/2010, 10.3% of young men and 6.6% of young women had dropped out of high school. These rates were down significantly for both sexes from 1990/1991 when they were 19.2% for young men and 14.0% for young women.

* Statistics Canada, *The Daily*, November 3, 2010.

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P.O. Box 6000, 470 York Street, Fredericton, New Brunswick E3B 5H1
Telephone: 506-457-4859 Fax: 506-453-3780
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The gap between the sexes narrowed slightly over time, from 5.2 percentage points in 1990/1991 to 3.7 percentage points in 2009/2010. The share of young men dropping out fell faster during this period.

Between 2007 and 2010, the three-year average dropout rate among First Nations people living off-reserve, Métis and Inuit aged 20 to 24 was 22.6%, compared with 8.5% for non-Aboriginal people. Among young off-reserve First Nations people (North American Indians), the dropout rate was 25.8%, and for Métis, 18.9%.

Among immigrant youth aged 20 to 24, the dropout rate in 2009/2010 was 6.2%, compared with 9.1% for the Canadian-born in this age group. Both rates were down slightly from 7.0% for young immigrants and 9.8% for Canadian-born youth in 2006/2007.

Nearly one in four dropouts unemployed during the recent downturn

During the deepest part of the recent economic downturn in 2008/2009, almost one in four dropouts aged 20 to 24 was unable to find work. In addition, the gap between their unemployment rate and that of their counterparts who had completed high school widened.

In 2007/2008, prior to the downturn, the unemployment rate for dropouts was 18.0%. This was more than double the rate of 8.4% among high school graduates aged 20 to 24 who were not enrolled in any educational institution.

By 2008/2009, during the deepest part of the downturn, the unemployment rate for dropouts reached 21.3%. In 2009/2010, into the early recovery, their unemployment rate had increased to 23.2%. In contrast, the unemployment rates for high school completers who were not in school rose to 10.0% in 2008/2009 and increased to 11.9% in 2009/2010.

Dropouts employed full time in 2009/2010 were working almost one hour more per week than high school graduates who were not in school (39.9 hours versus 39.2 hours). However, they were earning about $70 less per week on average ($551 versus $621).

A second article in the November 2010 issue of Education Matters: Insights on Education, Learning and Training in Canada, "A note on high school graduation and school attendance, by age and province, 2009/2010" addresses what appears to be a paradox. That is, in some provinces, high school graduation rates and high school dropout rates both are low, while in others, both rates are high. This article examines differences across provinces in the "typical" age at which students graduate from high school and shows how the share of graduates, continuers and dropouts changes as students age.

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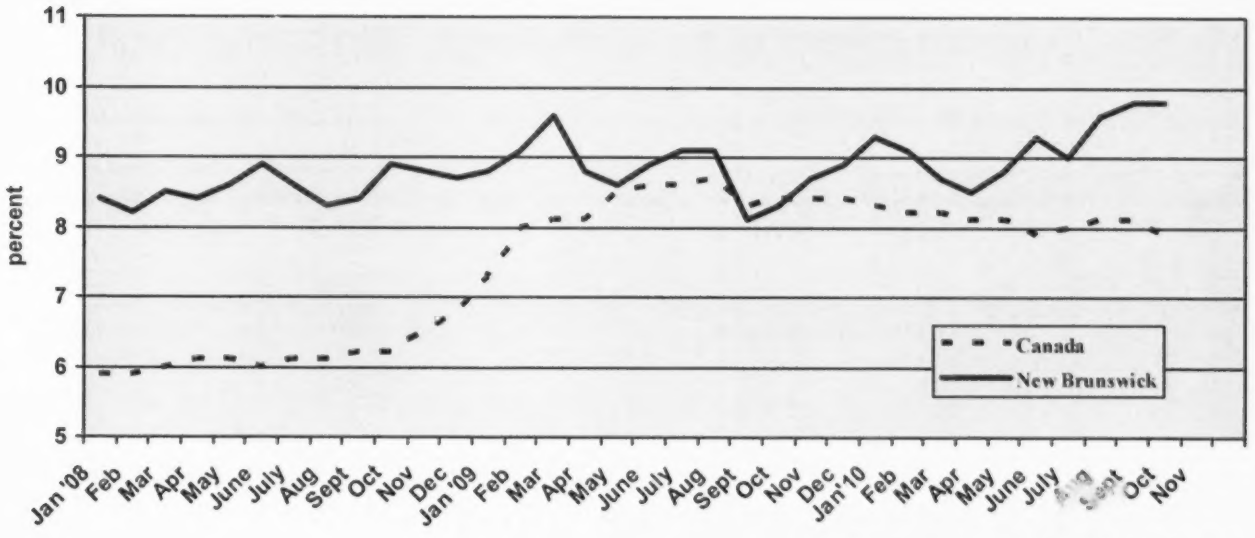
KEY LABOUR FORCE STATISTICS FOR NEW BRUNSWICK (Source: Statistics Canada Labour Force Survey)

New Brunswick	YTD	October '10	September '10	October '09
Labour Force	401,300	**401,600**	401,700	403,700
Employed	364,400	**362,100**	362,300	370,000
Unemployed	36,900	**39,500**	39,400	33,700
Unemployment Rate	9.2%	**9.8%**	9.8%	8.3%
Participation Rate	64.3%	**64.2%**	64.2%	64.9%
Employment Rate	58.4%	**57.9%**	57.9%	59.5%

CANADA COMPARED TO NEW BRUNSWICK

In October, Canada's unemployment rate was 7.9%, 0.1 of percentage point lower than last month and 0.5 of a percentage point lower than the same time last year. New Brunswick's rate of 9.8% was unchanged over last month but 1.5 of a percentage point higher than the same time last year, when it stood at 8.3%.

UNEMPLOYMENT RATES IN NEW BRUNSWICK AND CANADA



Source: Statistics Canada Labour Force Survey

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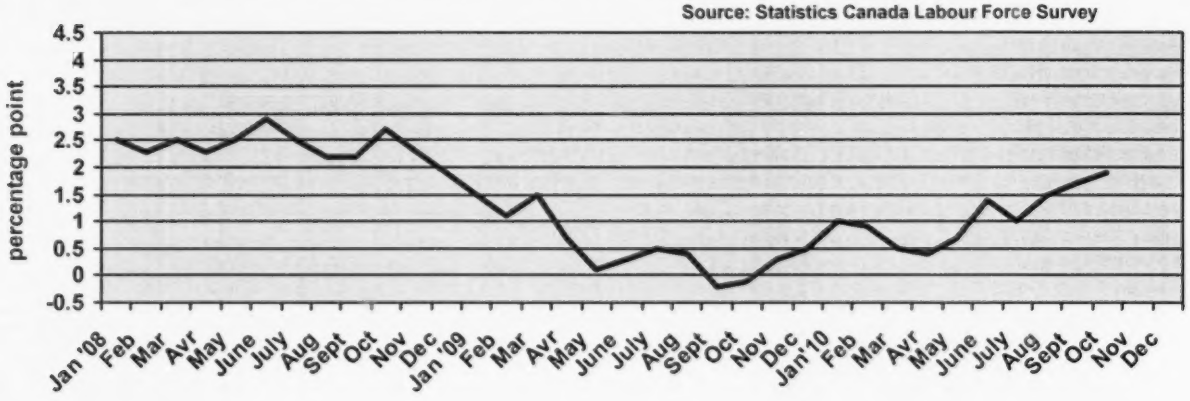
CANADA COMPARED TO NEW BRUNSWICK (continued)

The gap between the national and provincial rates was 1.9 of a percentage point in October.

DIFFERENCE IN UNEMPLOYMENT RATES IN NEW BRUNSWICK AND CANADA

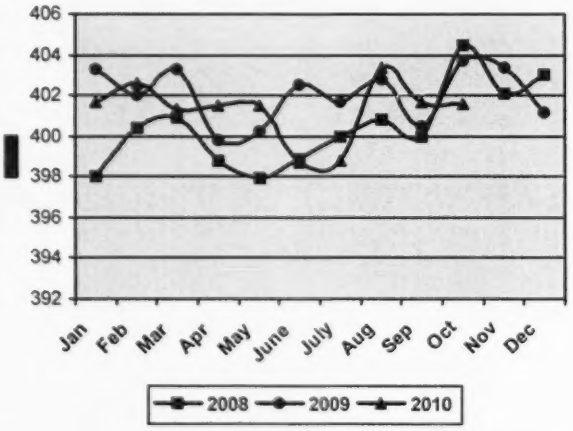
Source: Statistics Canada Labour Force Survey



THE LABOUR FORCE

New Brunswick's labour force stood at 401,600 in October. This was a decrease of 100 over last month, and a decrease of 2,100 over the same time last year.

THE SIZE OF THE LABOUR FORCE



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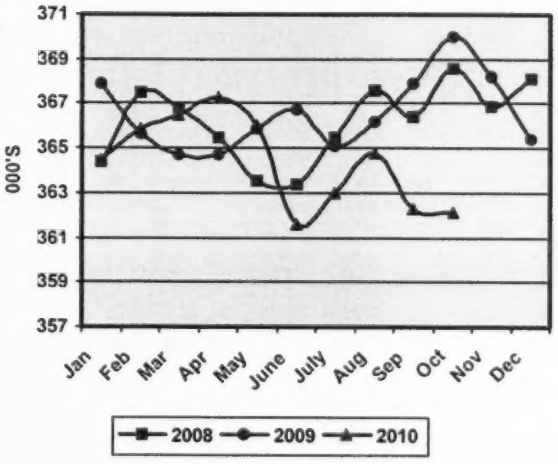
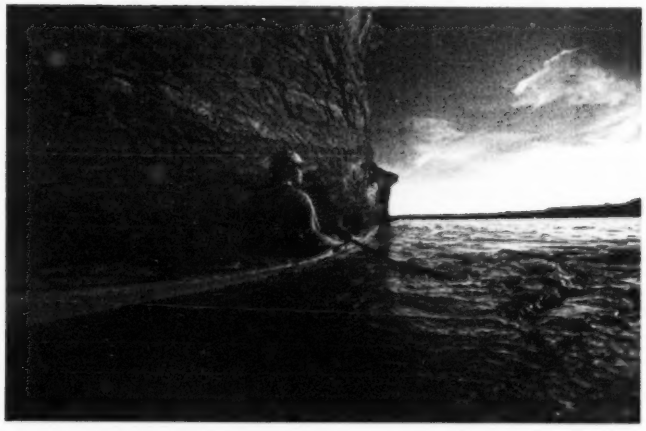
EMPLOYMENT

There were 362,100 people working in October. This was 200 less than last month and 7,900 less when compared to the same period last year.

EMPLOYMENT IN NEW BRUNSWICK



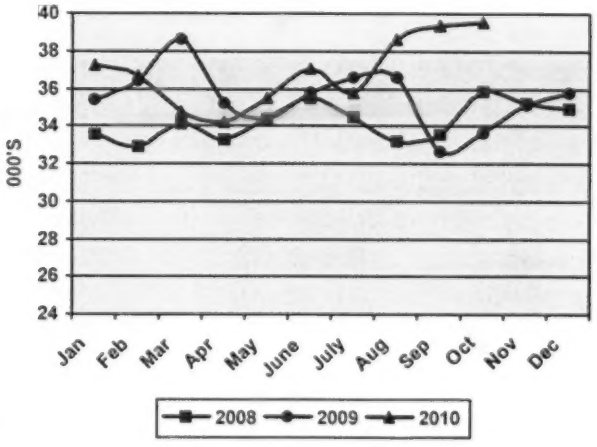
Source: Statistics Canada Labour Force Survey



UNEMPLOYMENT

There were 39,500 people unemployed and seeking work in October. This is 100 more people than what was recorded last month and is 5,800 more compared to the same period last year.

UNEMPLOYMENT IN NEW BRUNSWICK



Source: Statistics Canada Labour Force Survey

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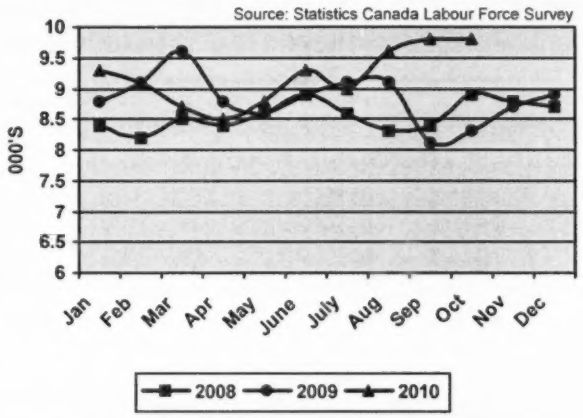
THE UNEMPLOYMENT RATE

New Brunswick's unemployment rate of 9.8% in October was unchanged over last month but was 1.5 of a percentage point higher than the same time last year .

THE ECONOMIC REGIONS

Statistics Canada reports labour force statistics for the economic regions as three month moving averages of actual (not seasonally adjusted) data.

THE UNEMPLOYMENT RATE IN NEW BRUNSWICK



October'10	Economic Regions				
	Northeast	Southeast	Southwest	Central	Northwest
Labour Force	75,400	114,100	96,300	75,300	45,800
Employment	65,100	105,700	89,000	70,200	41,300
Unemployment	10,400	8,400	7,200	5,100	4,500
Unemployment Rate	13.8%	7.4%	7.5%	6.8%	9.8%
Participation Rate	56.1%	66.8%	66.6%	70.0%	67.3%

Economic Regions	YTD		October'10		October'09	
	Emp.	UR	Emp.	UR	Emp.	UR
Northeast	62,200	15.6%	65,100	13.8%	65,70	13.0%
Southeast	105,600	7.2%	105,700	7.4%	109,100	6.8%
Southwest	86,500	8.6%	89,000	7.5%	90,300	5.4%
Central	69,900	7.0%	70,200	6.8%	69,500	5.7%
Northwest	39,900	10.1%	41,300	9.8%	41,200	9.1%

On a year-over-year basis (October 2010 compared to October 2009), employment increased in the Central (+700) and Northwest (+100) regions while it decreased in the Southeast (-3,400); Southwest (-1,300) and Northeast (-600) economic regions.

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THE INDUSTRY REPORT

Employment growth on a year-over-year basis was strongest in the following sectors*:

Information, Culture and Recreation (8.5%) – In October of 2010 there were approximately 12,700 people employed in this sector. There are 2,400 fewer people employed in this sector then there were in September of 1999 (the record high for this sector). This is the sixteenth month out of the last seventeen that this sector has experienced a year-over-year increase in employment. Over the last 24 months, employment was stronger on a year-over-year basis 16 times. So far this year (using year-to-date figures), employment is 4.8% higher than what was recorded for the same period of 2009 (ten months into the year).

Health Care and Social Assistance (5.5%) - In October of 2010 there were approximately 51,600 people employed in this sector. There are now 2,200 fewer people employed in this sector then there were in July of 2008 (the record high for this sector). This is the sixth consecutive month where the monthly employment level recorded was stronger than or equal to the equivalent month of the previous year. Over the last 24 months, employment was stronger on a year-over-year basis in 13 of those months. So far this year (using year-to-date figures), employment is 0.6% higher than what was recorded for the same period of 2009 (ten months into the year).

Forestry, Fishing, Mining, Oil and Gas (4.5%) – In October of 2010 there were approximately 11,600 people employed in this sector. There are 2,900 fewer people employed in this sector than in December of 1994 (the record high for this sector). This is only the first month out of the last six where the monthly employment level recorded was stronger than the equivalent month of the previous year. Over the last 24 months, employment was stronger on a year-over-year basis in only 4 of those months. So far this year (using year-to-date figures), employment is 1.8% lower than what was recorded for the same period of 2009 (ten months into the year).

* Includes the top three growth sectors and all sectors that posted a 10% or greater (year-over-year) increase in employment.

Employment was weaker on a year-over-year basis in the following sectors**:

Finance, Insurance, Real Estate and Leasing (-17.9%) – In October of 2010 there were approximately 15,100 people employed in this sector. There are 3,300 fewer people employed in this sector then there were in October of 2009 (the record high for this sector). This is the eighth month out of the last nine where this sector has experienced a year-over-year decline in employment. Over the last 24 months, employment was stronger on a year-over-year basis in only 11 of those months. So far this year (using year-to-date figures), employment is 2.7% lower than what was recorded for the same period of 2009 (ten months into the year).

Accommodation and Food Services (-15.5%) – In October of 2010 there were approximately 21,800 people employed in this sector. There are 5,400 fewer people employed in this sector then there were in May of 2006 (the record high for this sector). This is the eighth month out of the last nine where the monthly employment level recorded was weaker than the equivalent month of the previous year. Over the last 24 months, employment was stronger on a year-over-year basis in only 6 of those months. So far this year (using year-to-date figures), employment is 3.4% lower than what was recorded for the same period of 2009 (ten months into the year).

Business, Building and Other Support Services (-8.7%) - In October of 2010 there were approximately 16,700 people employed in this sector. There are 6,300 fewer people employed in this sector then there were in January of 2006 (the record high for this sector). This is the eleventh consecutive month where the monthly employment level recorded was weaker than the equivalent month of the previous year. Over the last 24 months, employment was stronger on a year-over-year basis in 10 of those months. So far this year (using year-to-date figures), employment is 3.9% lower than what was recorded for the same period of 2009 (ten months into the year).

** Includes the bottom three growth sectors and all sectors that posted a 10% or greater (year-over-year) decrease in employment

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